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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/664,853	09/22/2003	Abraham Blau	1078MOB-US	4306
32964	7590	11/03/2005	EXAMINER	
DEKEL PATENT LTD., DAVID KLEIN BEIT HAROF'IM 18 MENUHA VENAHALA STREET, ROOM 27 REHOVOT, 76209 ISRAEL			LEVINE, ADAM L	
			ART UNIT	PAPER NUMBER
			3625	
DATE MAILED: 11/03/2005				

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)
	10/664,853	BLAU, ABRAHAM
	Examiner Adam Levine	Art Unit 3625

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) Responsive to communication(s) filed on 22 September 2003.
 2a) This action is FINAL. 2b) This action is non-final.
 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) Claim(s) 1-24 is/are pending in the application.
 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
 5) Claim(s) _____ is/are allowed.
 6) Claim(s) 1-24 is/are rejected.
 7) Claim(s) _____ is/are objected to.
 8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) The specification is objected to by the Examiner.
 10) The drawing(s) filed on 22 September 2003 is/are: a) accepted or b) objected to by the Examiner.
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
 a) All b) Some * c) None of:
 1. Certified copies of the priority documents have been received.
 2. Certified copies of the priority documents have been received in Application No. _____.
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)	4) <input type="checkbox"/> Interview Summary (PTO-413)
2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)	Paper No(s)/Mail Date: _____
3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date: _____	5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)
	6) <input type="checkbox"/> Other: _____

DETAILED ACTION

Drawings

The drawings are objected to because Figure 4, described as showing operational components of the system, is not consistent with that description. The elements shown in Figure 4 are not operational components of a system. They are abstract elements that have a role in the decision making process of the method. Corrected drawing sheets in compliance with 37 CFR 1.121(d) are required in reply to the Office action to avoid abandonment of the application. Any amended replacement drawing sheet should include all of the figures appearing on the immediate prior version of the sheet, even if only one figure is being amended. The figure or figure number of an amended drawing should not be labeled as "amended." If a drawing figure is to be canceled, the appropriate figure must be removed from the replacement sheet, and where necessary, the remaining figures must be renumbered and appropriate changes made to the brief description of the several views of the drawings for consistency. Additional replacement sheets may be necessary to show the renumbering of the remaining figures. Each drawing sheet submitted after the filing date of an application must be labeled in the top margin as either "Replacement Sheet" or "New Sheet" pursuant to 37 CFR 1.121(d). If the changes are not accepted by the examiner, the applicant will be notified and informed of any required corrective action in the next Office action. The objection to the drawings will not be held in abeyance.

Specification

The specification has not been checked to the extent necessary to determine the presence of all possible minor errors. Applicant's cooperation is requested in correcting any errors of which applicant may become aware in the specification.

Claim Objections

Claim 14 is objected to because of the following informalities: Claim 14 recites the limitation "the selected keyword" in line 4. There is insufficient antecedent basis for this limitation in the claim. Appropriate correction is required.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

1. Claim 18 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Regarding claim 18, the phrase "maximum/minimum/average" renders the claim indefinite because it is unclear how the limitations following the phrase are modified by the phrase and whether all three modifiers are applied exclusively, simultaneously, separately, or optionally. See MPEP § 2173.05(d).

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

2. Claims 1-24 are rejected under 35 U.S.C. 102(b) as being anticipated by Ginter (US Patent No. 5,892,900).

Ginter teaches all the limitations of Claims 1-24. For example, Ginter discloses secure transaction management and electronic rights protection in a virtual distribution environment allowing the secure handling and control of electronically stored items while protecting the rights of participants (see at least abstract). Ginter further discloses:

- auctioning a digital item for sale from an offerer of said digital item who is authorized to sell said digital item: (see at least column 271 lines 36-40, where a bidding element in a negotiation is an auction); transactable only if offerer has a minimum upload communication bandwidth, requester has a minimum download communication bandwidth, minimum bid price, minimum number of requesters, minimum number of offerers, and/or minimum level of rating of offerer and requester wherein level of rating is a function of behavior of user (see at least column 8 lines 40-49, column 10 line 64 – column 11 line 21, column 20 lines 23-43. Please note: in any system involving electronic transmission of items, a minimum upload communication bandwidth on one end and a minimum

download communication bandwidth on the other is an inherent requirement); finding the best price for the item (column 270 line 66 – column 271 line 20), transferring item from the offerer to the requester (see at least column 13 lines 50-67, column 24 line 54 – column 25 line 27), and transferring money for said item between the requester and the offerer (see at least column 4 lines 14-44, column 5 lines 4-8, column 8 line 50 – column 9 line 2, lines 33-45, column 14 line 49 – column 15 line 9); paying a royalty to a copyright owner upon selling digital item (see at least . Please note: said royalty inherently comprises at least one of a percentage of the price, a fixed value, a value dependent on the users characteristics, and a value dependent on the item characteristics); presenting names of digital items before making them available for transfer between users and entering a request in advance for a digital item and transferring it when it becomes available, entering a request in advance for a digital item and offering a price to another user who makes said item available (see at least column 22 line 26 – column 23 line 33, column 29 line 19 – column 30 line 39).

- selling digital item by uploading to a requester: (see at least Fig.1, 75B, 75D, 77, 79, 83, 84, 86, column1 line 52 – column 2 line 7, column 25 lines 20-27, where downloading and passing the item to additional parties inherently includes uploading, column 60 lines 18-34).
- requester, upon purchasing and downloading digital item, is authorized to become another offerer: (see at least column 25 lines 20-27, column 5 lines 14-45, column 11 lines 36-57, column 24 line 54 – column 25 line 27).

- capability of offerer to transfer and sell is a function of at least one of a download capability and an upload capability of offerer: (see at least abstract, column 17 line 42 – column 18 line 5. Please note: in any system involving electronic transmission of items, the capability of the parties to transfer and sell is inherently a function of the parties' download and upload capabilities.).
- automatically downloading and uploading digital items in accordance with criteria that improve profits of a user: (see at least column 1 line 53 – column 2 line 7, column 3 line 30-45, column 5 line 60 – column 6 line 13).
- providing user accounts for transfer of money from one account to another account: a management system that manages personal accounts for the computers and for its users (see at least column 14 line 49 – column 15 line 9).
- permitting a user to choose between auctioning an item for sale and reverse auctioning an item to buy: (see at least column 270 line 66 – column 271 line 40, column 274 line 41 – column 275 line 6. Please note: where user registers a request for an item, leading to offered terms by parties that can provide the item, this is a reverse auction).
- dividing users with a minimum amount of free bandwidth into a list of requesters (L1) and a list of offerers (L2): (see at least column 4 lines 14-27); selecting a pair of users comprising a requester from L1 and an offerer from L2 in accordance with a selection criterion, wherein criterion comprises at least one of an availability of bandwidth, a bid price, and an ask price, and transferring a digital item between the selected requester and the selected offerer (see at least

column 19 lines 29-58; Fig. 1, 75B, 75D, 77, 79, 83, 84, 86, column1 line 52 – column 2 line 7, column 25 lines 20-27, column 60 lines 18-34. Please note: sorting said lists L1 and L2 in accordance with a sorting criterion and selecting the said pair as the two first users from the sorted L1 and L2 is the same as selecting a pair of users in accordance with a selection criterion); sorting criterion comprises at least one of a request price, an offer price, time of requesting, time of offering, and proximity of the users in a plurality of the pairs (see at least column 19 lines 29-58. Please note: the terms and conditions described in Ginter include for example request price and offer price as discussed above).

- searching for said digital item prior to requesting or offering said digital item:
displaying a plurality of lists of keywords and an amount of items that would be found if a keyword from one of said lists were combined with the selected keyword from another of said lists (see at least column 167 lines 11-51);
keywords combinable in a Boolean expression; Boolean operators in the first group are an "or" and all the Boolean operators in the second group are an "and". (see at least column 75 line 65 – column 76 line 24, column 152 lines 17-28. Please note: a Boolean expression is a logical combinatorial system treating variables, inherently including "and" and "or" options); defining a meta-keyword as a keyword related to other keywords, and using the meta-keyword to limit the keywords in a LKW to one kind of keywords (see at least column 26 line 66 – column 28 line 16, column 171 lines 14-42, column 184 line – column 185 line

- a network of computers, each computer having at least one of upload bandwidth capacity and download bandwidth capacity: (see at least abstract, column 2 lines 20-32, column 3 lines 18-30).

Pertaining to system claims 22-24

Rejection of Claims 22-24 is based on the same rationale as noted above.

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

- Hoke, US Patent No. 6,947,909 (September 20, 2005). Teaches method for distribution of intellectual property in digital media while enforcing restrictions with regard to transfer and ownership.
- Kitze, US Pub. No. 2002/0138362 (September 26, 2002). Teaches digital file marketplace providing for consumers to pay royalties to content owners and also providing for consumers to become affiliates by allowing the content owner to use the consumers bandwidth to further distribute the files.
- White, US Pub. No. 2002/0128935 (September 12, 2002). Teaches "many-to-many" electronic publishing and distribution of digital content. Provides for instantaneous delivery, uploading and downloading of digital works, a searchable database, digital rights management, and defining the terms of sale.
- Stefik, US Patent No. 5,629,980 (May 13, 1997). Teaches system for controlling the use and distribution of digital works. Allows owner to define rights in digital

work, including how the work may be used and further distributed by the buyer, including royalty fees. Also allows for the transport of the work through various repositories.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Adam Levine whose telephone number is 571.272.8122. The examiner can normally be reached on M-F, 8:30-5:00 Eastern.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Wynn W. Coggins can be reached on 571.272.7159. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Adam Levine
Patent Examiner
October 31, 2005



Jeffrey A. Smith
Primary Examiner